

finkargo

IMPACT REPORT 2024



finkargo

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finkargo.com

Table of contents

1. Welcome to our Ecosystem

2. Words from our CEO

3. Our call to action

4. About Us

- a. Mission: Enabling growth by connecting LatAm to the world
- b. Culture: Where Virtues Drive Global Impact
- c. Our Evolution
- d. Products: Bridging the gap in international trade
- e. Vision: A center of gravity where our purpose and our client's pain points converge

5. Our Impact Thesis

- a. Framework and Objectives
- b. Client Profile, Output and Outcome Indicators
- c. Client Perception
- d. Client and Investor Insights

6. ESGs

- a. Finkargo Cares
- b. Finkargo Lifts
- c. Finkargo Oversees

7. Impact Roadmap



WELCOME TO OUR ECOSYSTEM



We are excited to share our first annual Impact Report

In this first edition we dive into **Finkargo's mission, evolution, and impact management efforts**, highlighting the growth opportunities we are creating for MSMEs in LatAm by enabling them to trade globally.

Finkargo was born in 2021 as a financial solution tailored for MSMEs that dream of participating and benefiting from global value chains.

By 2024, after 3.5 years of operations, we have:



Served more than
**570 businesses in
Colombia and
Mexico.**



Facilitating over
**5,500 global trade
transactions**
worth over \$670
million USD.



Enabling our
clients to develop
**business
relationships with
51 countries.**

In this journey we've discovered we are not only bringing our customers closer to markets and key products, but also promoting their technological adoption, knowledge generation and overall productivity. With every transaction facilitated, we have seen a variety of results such as increasing trade volume, optimizing cash flows, meeting minimum order requirements, launching new product lines and diversifying suppliers.

Our support has translated into new opportunities for our users.

We have tracked the impact across their businesses and global supply chains, and these results validate our double impact hypothesis:



We are not only providing access to capital, but we are also equipping MSMEs with tools to **expand and diversify their supply chains, reduce their operational and financial risks, increase their competitiveness**, and ultimately grow their businesses.

Working first hand with our clients has shown us how complex it is to orchestrate all moving parts between the exchange of goods, the movement of money across borders and coordinating the exchange of data and information between more than 12 parties involved in a single global trade transaction. By solving access to capital we found multiple opportunities to tackle risk mitigation, cash flow constraints and information asymmetries. This is where our vision lies: **connecting MSMEs with the flow of goods, money and data across all stages and service providers in a centralized platform.**

We are committed to empowering MSMEs with access to capital, trade orchestration systems, risk mitigation tools and market intelligence that will level the playing field in international trade.

By connecting Latin America to the world, we can be a driving force of economic growth and prosperity.

We hope you enjoy this report as we delve into the importance of global trade and trade finance in economic development, our evolution and vision, and our contribution to our clients' growth and well-being. We will also walk you through multiple initiatives that not only put our clients in the center of our universe, but also contribute to the development of an ethical and sustainable business.

Words from our CEO



“

Finkargo was born at the intersection of three distinct paths, united by a shared mission: unlocking economic growth in Latin America. Tomas brought decades of experience connecting the region to global markets through logistics. Andres led the adoption and distribution of digital tools that power the region's businesses. I've dedicated my career to expanding equitable access to capital for underserved populations. Together, we built Finkargo—a tech platform designed to empower Latin America's micro, small, and mid-sized businesses to access, orchestrate, and finance their international trade.

Over the past four years, we've seen what's possible when purpose meets technology: thriving businesses, growing trade flows, and more resilient supply chains. We've had the privilege of building alongside exceptional talent and visionary investors who share our belief that inclusive access to global markets can transform economies. This Impact Report marks a meaningful milestone in that journey. The data reflects not just business outcomes, but the foundations of systemic change—greater financial inclusion, regional diversification, and deeper integration into global value chains.

Our revolution is just getting started. With Finkargo, we are equipping the Davids of Latin America to build global legacies—and take on the Goliaths of the world.

”



OUR CALL TO ACTION

Globalization has determined growth and development in recent history

Recent decades have shown us that to experience sustained growth, an economy must be open to trade and investment with the world. Trade not only brings goods and services closer to our economies, but also fosters competition, technological adoption, knowledge transfer and raises standards of quality. **Hence, economic openness is tied to rising living standards and competitiveness.**

According to the Inter-American Development Bank, on average, **a 10% increase in LatAm's participation in global value chains (GVCs) translates into a 11 to 14% increase in GDP per capita.**

Participation in GVCs has an exponential effect on economic growth.

In the region, firms that participate in GVCs are on average:



LatAm's stagnant participation in global trade

Despite the benefits and potential of global trade as a means of prosperity, LatAm's participation has remained stagnant since the 1970s.



According to the Economic Commission for Latin America and the Caribbean, **LatAm accounts for only 6% of global trade.**



Less than 4% of registered businesses in the region participate in Global Value Chains (GVCs).



As a result millions of firms miss out on productivity gains that could improve their business outlook and economic contribution.



With Finkargo's financial support CG Soluciones has been able to negotiate with major health care and accessory brands in Asia, increasing its market share in Mexico and meeting the increasing local demand for these products.

The challenges of accessing international markets

Promoting inclusion and improving access to international markets is not an easy task due to its complexity and barriers.

Global trade is a black box full of complex interactions that orchestrate the exchange of goods and services, the movement of money across borders and the exchange of data and information. More than 12 parties are involved in a single global trade transaction. This complex ecosystem disproportionately affects MSMEs who can't afford supply chain advisory, have a limited network of support, limited negotiation power, and inefficient access to capital,

Trade Finance: A Critical Barrier for MSMEs

One of the most restrictive barriers that must be tackled to promote a higher insertion in global value chains is **access to finance**.

The Need for Financial Inclusion

- Financial inclusion in global trade is much needed as more than **90% of global trade transactions require financing**.
- On average, **50% of trade finance applications by MSMEs are rejected globally**.

The Expanding Trade Finance Gap

- According to the Asian Development Bank, as of last year, **the trade finance gap worldwide was estimated at \$2.5 trillion USD, up from \$1.7 trillion in 2020**.

Increasing restrictions to access capital to trade globally is limiting MSMEs' ability to negotiate, meet demand, fulfill orders, and survive. Various factors contribute to this issue, affecting both the demand and supply sides of trade finance.

➔ Key Factors Contributing to the Gap

1. Demand-Side Barriers:

- Education and financial literacy limitations.
- Insufficient credit history preventing access to trade finance.
- KYC requirements.
- MSMEs lack of traditional guarantees or collaterals demanded by lenders.

2. Supply-Side Barriers:

- Limited innovation, knowledge, and expertise in global trade and logistics.
- Increased risk levels and rising interest rates in recent years.
- Risk appetite from financial providers.
- Limited access to data for assessing MSMEs' risk profiles.

According to the latest Trade Finance Gap, Growth and Jobs survey by the Asian Development Bank:

Financial accessibility is the most crucial factor in building resilient supply chains.

Beyond financing, other essential aspects include reliable logistics, supply chain visibility, and digital technology adoption. Addressing these issues is key to fostering a more inclusive and efficient global trade system.

Additional elements contributing to increasing barriers and complexities in global trade are economic and geopolitical disruptions. In the lapse of 4 years we have witnessed paramount changes in trade and logistics, including:



Multiple shocks as a result of the exponential increases in post-pandemic global demand



Interruptions of production centers (COVID in China)



Conflicts and geopolitical tensions (Suez Canal closure, Panama Canal drought, and strait of Hormuz conflict)

Trade will continue to bind economies and offer growth and development opportunities. Unfortunately, as trade becomes more complicated, unpredictable, and increasingly distant, not only geographically but also geopolitically, it will continue affecting and excluding those that cannot build strategies and rely on tools that provide resiliency, flexibility, capacity, and visibility throughout their global value chains.

Resiliency

+

Flexibility

+

Capacity

+

Visibility



Finkargo is committed to shaping an ecosystem that supports companies' efforts to build resilient and transparent supply chains. An ecosystem that embraces strategies to improve companies' presence in growing markets and provides tools to manage risks and seize opportunities.

We began by contributing to closing the trade finance gap in our region, and leveraging trade financing as an effective mechanism to build resiliency and productivity. **And we look forward to endless opportunities while creating a platform that connects MSMEs with the flow of goods, money and data across all stages of trade.**



ABOUT US



Mission

Enabling growth by connecting the world

In Finkargo we are driven by a shared commitment to empower emerging markets MSMEs to dream globally.

We are a tech-based company that provides fast and flexible trade financing, and other trade-enabling services, through customer-driven technology.



Our objective is to support our client's planning, operating and financing needs when accessing international markets.

Our success lies on a deep understanding of our clients' business needs, our expertise on running global supply chains, and a relentless effort to deliver tailored solutions as true partners.

Culture

Where Virtues Drive Global Impact



Long Live the Customer

Finkargo's crew embodies our core virtues, fueling our mission to empower MSMEs in emerging markets. We champion a culture where every team member is a 'Long Live the Customer' advocate, by deeply understanding and addressing client needs with innovative solutions..



Get Shit Done & Extreme Ownership

Fueled by a '**Get Shit Done**' ethos, we transform ambitious visions into tangible results, grounded in data and action. We display '**Extreme Ownership**' and take responsibility over our reality. We lead the way to a connected world.



Team First & Infinite Learners

With a "**Team First**" mindset, we leverage our diverse talents, fostering collaboration to achieve shared success, while as "**Infinite Learners**," we embrace challenges and continuously seek knowledge to drive transformative growth.



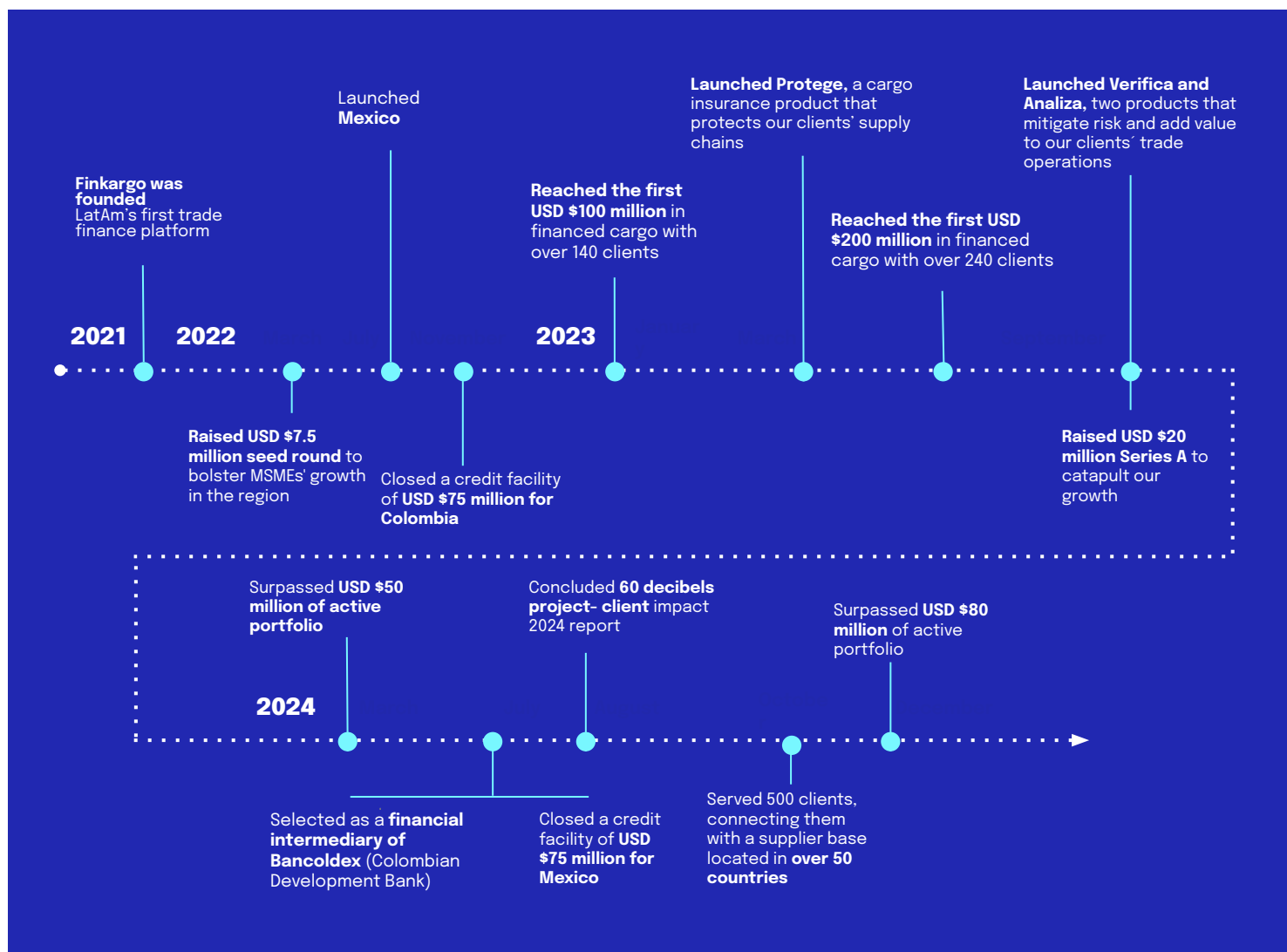
Tech is the Way

We embrace the challenges of our clients, building solutions that meet them where they are as we show them that '**Tech is the Way**'.

Our people are the heart of Finkargo, and their development is paramount. Together, we're not just dreaming globally– we're building the operating system for international trade, unlocking the world for the region's MSMEs.

Our Evolution

Finkargo was founded in 2021 with the dream of closing the trade finance gap in LatAm. With a clear mission to support MSMEs in accessing global markets, Finkargo has evolved over the years expanding its product portfolio and securing substantial funding to further innovate. Year over year we have grown remarkably by understanding and addressing our clients needs.



Products: Bridging the gap in international trade

In the complex world of global trade, **LatAm MSMEs face numerous challenges: limited access to capital, intricate logistics, and the complexity of international transactions.**

In Finkargo we support our clients in their planning, operations and financing processes.

Planning: Market Intelligence and Supplier Verification

Our journey with our clients begins with strategic planning. Analiza and Verifica are our foundational tools that provide critical market intelligence and supplier verification.



Analiza

Provides **sophisticated market intelligence and customized reports**, offering detailed insights into import/export trends, competitive landscapes, and strategic opportunities.



Verifica

Offers **comprehensive supplier checks in strategic markets, mitigating the risk of fraud and non-compliance with quality standards**. This is done by conducting in-depth investigations that validate potential suppliers' credentials, production capabilities, and product quality.

Our services ensure clients make informed decisions before operating globally, transforming uncertainty into a strategic advantage.

Operations: Seamless Integration

Once plans are set, **Integra** takes center stage as our **end-to-end operational solution**. This innovative service eliminates the **operational complexities of international trade**, providing a solution that integrates:



Supplier verification



Cargo insurance



Merchandise negotiation and purchase



Merchandise drop-off at the destination port or free trade zone



Logistics and transport orchestration



Integra

Allows importers to **expand their product portfolios** without requiring significant upfront capital, offering **flexible inventory management and comprehensive logistical support**. By consolidating multiple vendor interactions into a single, digital touchpoint, we simplify what is usually a fragmented and complex process.

Trade Finance: Financial Empowerment

Financial flexibility is the cornerstone of **international trade growth**. Our **Paga**, **Paga Local**, and **Protege** services revolutionize how Latin American importers manage their financial risks and cash flows.



Paga

Provides **revolving credit lines up to \$2.5M USD with flexible terms and collaterals**, enabling businesses to finance up to 70% of their merchandise.



Paga local

Extends this support to **local logistics, tax, and nationalization payments**.



Protege

Offers **comprehensive insurance coverage** that protects merchandise from warehouse to warehouse.

Together, these services mitigate financial and operational risks and transform financial constraints into opportunities for business expansion.

Vision

A center of gravity where our purpose and our client's pain points converge



Our vision is to become MSMEs trusted partner

Helping firms transform global market opportunities into tangible growth for their businesses and the economies where they operate.

General Supply Depot is a Colombian company that specializes in the supply of materials for fire protection systems. With Finkargo's support they have been able to optimize inventory and respond to new business opportunities.

We envision ourselves as the **international trade's center of gravity**, **offering a fully integrated platform and solution** that will centralize international transactions, supply chain service providers guaranteeing alignment and transparency across the exchange of information, supervising the flow of goods, and orchestrating the flow of money.

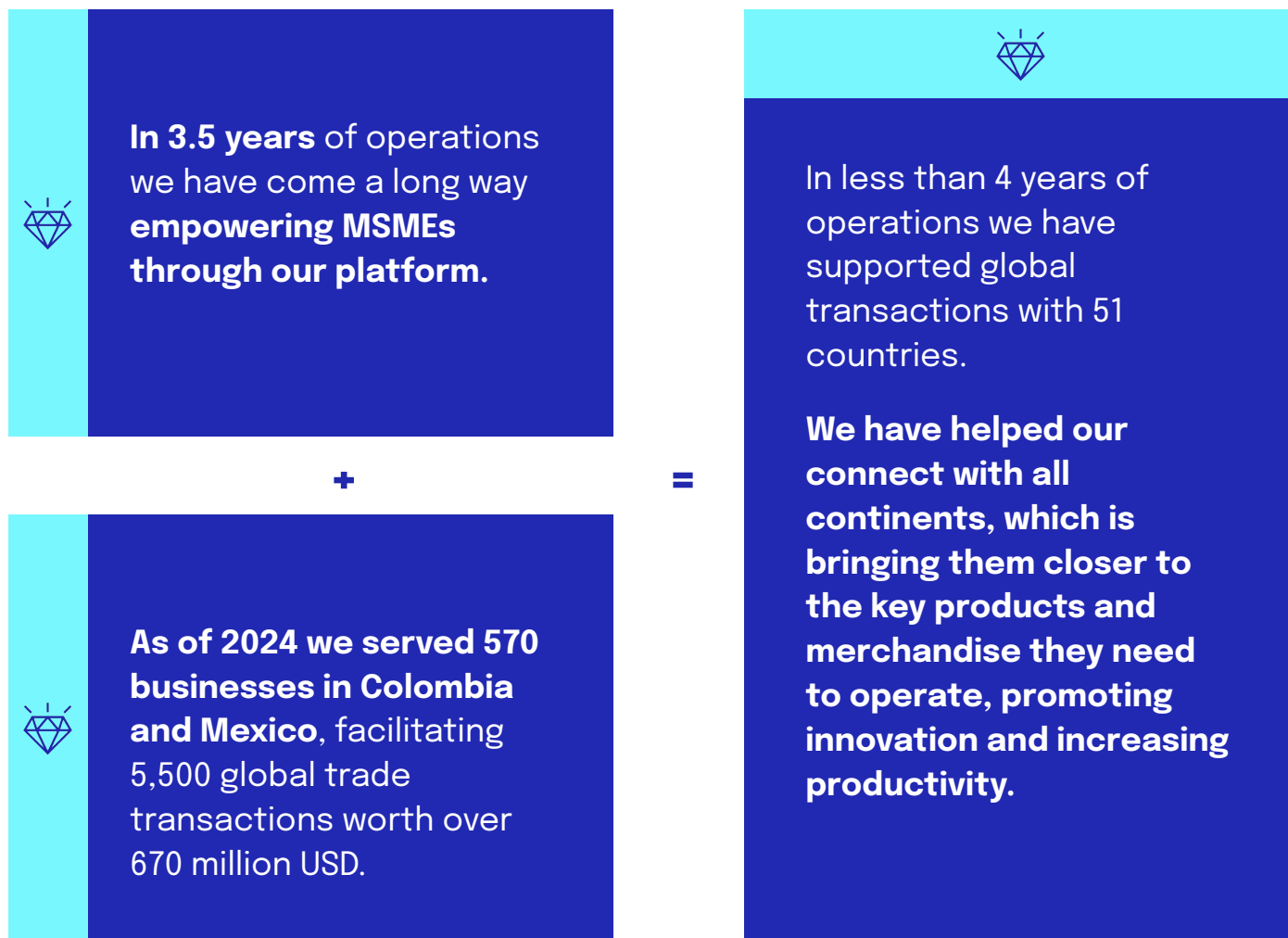
We believe this is a unique opportunity to create a universal system that brings the world together.



OUR IMPACT THESIS



Our success is not only measured by our financial performance and returns, but also by our contribution to the trade ecosystem and our region's development. Impact is an inherent result of our efforts.



Our clients are Latin American companies that represent a wide variety of economic activities across manufacturing, industry and commerce.

More than 90% are MSMEs with limited opportunities in international markets due to high transaction costs and limited access to information, training, business networks and capital.

For instance, access to information and transparency takes a variety of forms.

- **MSMEs face information asymmetries when understanding and applying logistics and customs procedures**, but also when addressing market entrance requirements or distribution channels.
- **Access to financing is one of the most frequent restrictions MSMEs face**, mainly in developing countries.

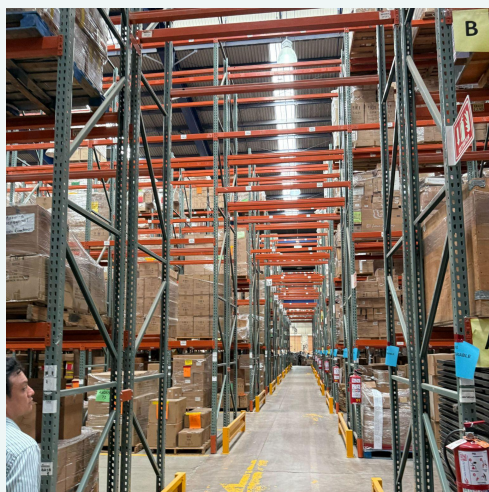
The importance of MSMEs is unquestionable.



MSMEs are the backbone of our economies

Not only because they represent a vast number of firms (on average 95%), **but also due to their contribution to employment.**

Therefore, in order to promote inclusive and sustainable growth, **MSME development must be in the center of social and economic policies.**



Trade is an important means to expand MSMEs growth because it offers a variety of productivity avenues, a key aspect that differentiates small and medium businesses from large enterprises. **Internationalization helps MSMEs exploit economies of scale, adopt technologies, knowledge, and diversify markets**, which reinforces growth, employment generation and their probability of survival.

With this context, **at Finkargo we built an impact framework that contributes to 3 goals in global trade, and 6 Sustainable Development Goals.**

Social Goals



Inclusion:

➤ **International trade should be accessible for all.** Everyone should have the same opportunities and tools to benefit from global trade, regardless of their size, capital, sector, or geography.

Resilience :

➤ As global trade becomes more complex and vulnerable to shocks, firms must strengthen and diversify their global value chains to anticipate, adapt and recover from local or global disruptions. **The trade ecosystem has to create and promote the correct tools to leverage global market opportunities.**

Productivity :

➤ As companies benefit from global trade spillovers they can **innovate, invest, adopt technologies and knowledge**, allowing them to increase their income and improve their competitiveness

Sustainable Development Goals

Finkargo works on closing the trade finance gap by offering financial solutions and other key services that **facilitate MSMEs growth in international markets. Our solutions contribute to achieving a variety of SDGs.**

**Decent Work and Economic Growth:**

Achieve higher levels of economic growth and productivity through diversification, market access and financial services.

**Industry Innovation and Infrastructure:**

Leverage the use of technology and innovation to increase access to financial services and global value chains for SMEs.

**Gender Equality:**

Contribute to closing the finance gap for women led businesses.

**Affordable Energy:**

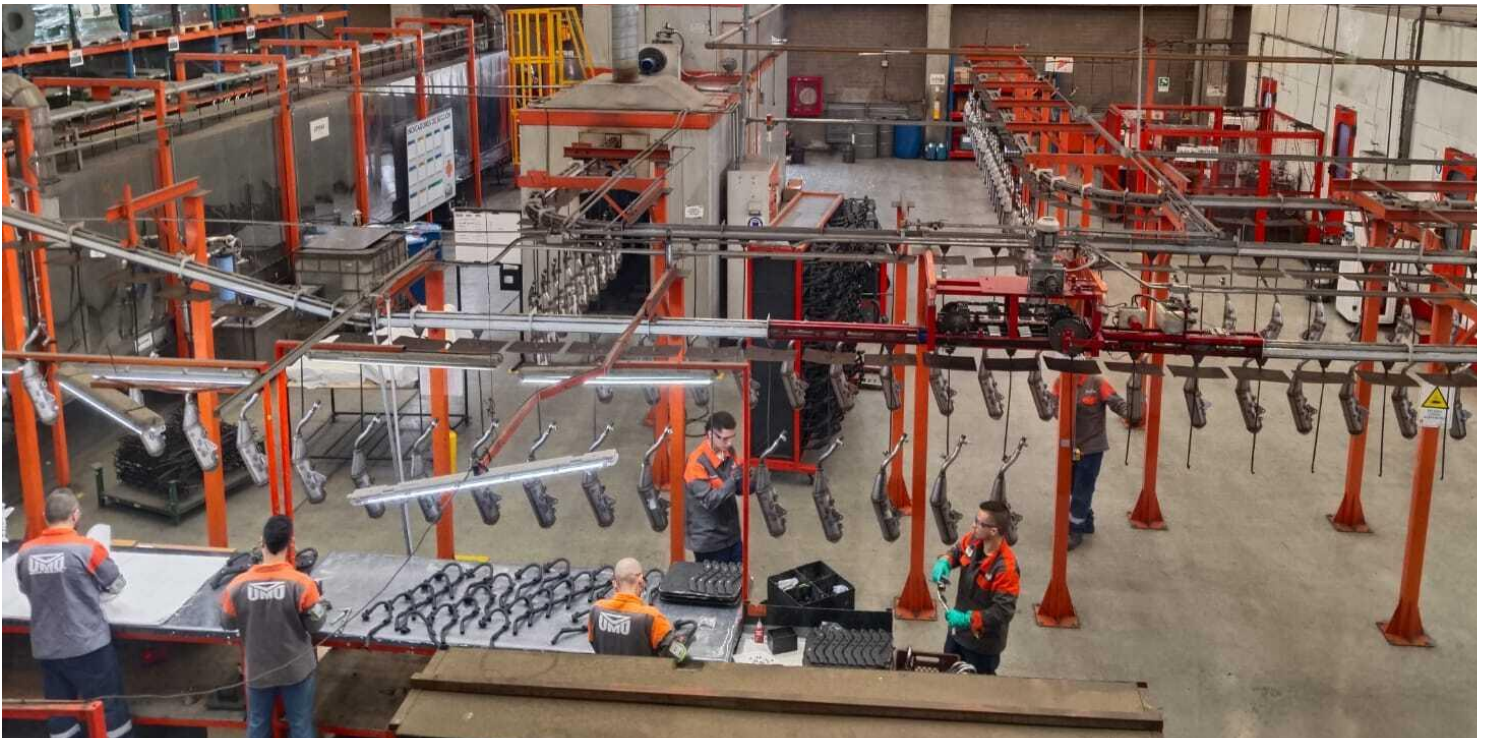
Increase the share of renewable energy, and expand infrastructure and technology to promote modern and sustainable energy services

**Zero Hunger:**

Contribute to increasing agricultural productivity, through access to production resources and inputs.

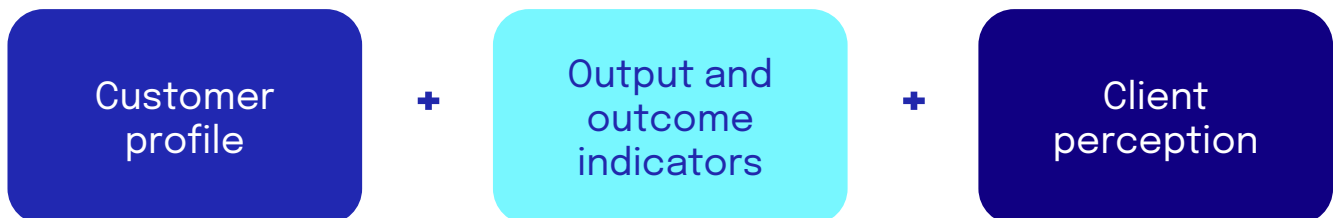
**Alliances to achieve the objectives:**

Generate multi-stakeholder alliances to accelerate the progress of the different Development Goals.



With Finkargo's support Umo S.A has expanded its business opportunities by strengthening the purchasing orders of the raw materials it distributes to major motorcycle brands in Colombia.

Based on these objectives our **impact framework measures 3 components:**



It is important to mention that with this framework we want to keep 3 aspects in consideration.

- First, the impact we are measuring **aligns with our business model.**
- Second, the framework contributes to a greater purpose, such as the Sustainable Development Goals, **designed as a global plan to eradicate poverty and guarantee prosperity.**
- And finally, we want to ensure we are **measuring key data and indicators, but we are also listening to the experience and perception of our customer.**

Client Profile, Output and Outcome Indicators

As mentioned before, our framework is based on the contribution to 3 key global trade goals that brings us to our core belief: **providing more access, readiness and growth opportunities to MSMEs that have the potential to boost our economies.**

INCLUSION

Our clients demographic profile reflect our conviction to supporting underserved segments in global trade.

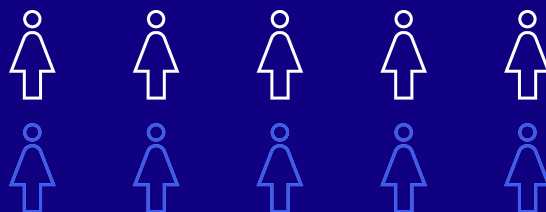
94% of our clients are MSMEs that represent more than 80 different economic activities, according to the United Nations International Standard Industrial Classification. An impressive indicator is that **48% of our users have female leadership**, through legal representation or shareholder participation. In this regard, it is key to remember MSMEs and female led businesses are the segments that suffer the highest rejection rates in trade finance applications, on average, 50% and 70% respectively.



94

Our clients
are MSMEs

%



48%

have female
leadership



Conexiones Inoxidables de Puebla works with Finkargo to secure the cash flow it needs to source steel for important industries, such as the food and automotive sectors in Mexico, supporting its consolidation as a leading importer and producer of stainless steel.

By leveraging technology and alternative data in trade and logistics

We have designed non-conventional risk scoring mechanisms and tailored products that are impacting our clients' businesses and opportunities.

As a result, **in 2024 Finkargo processed over 800 trade finance applications with a rejection rate that is 4x lower than the average trade finance rejection rate for MSMEs on a global scale.**

We are not only creating more inclusion in this underserved market, but our clients are also responding positively to our value proposition and the opportunities we are bringing them. This is reflected in our clients' payment behaviour and portfolio performance. **In 2024 we boast a default rate of just 1.2%, a result 3X below MSMEs credit performance in LatAm.**

NOTE



Serving women led firms is not only good for impact purposes, but also good for business.

Promoting inclusion in global trade and access to trade finance for women led businesses is imperative. According to the Inter American Development Bank, **in LatAm only 1 in every 5 firms that participate in global value chains are led by women** due to multiple entrance barriers.

Women face higher costs of doing business and more limited access to information and markets. There are higher legal and policy barriers such as higher tariff and non-tariff barriers in sectors where women have a higher representation as workers and consumers. Women also face time and mobility constraints to perform customs and logistics procedures. And finally limited access to trade finance, in particular short-term credit, is a global issue that affects women disproportionately.

Moreover, according to the World Bank Women in Trade Report, trade openness increases women's welfare, as workers, entrepreneurs and consumers. World integration raises the cost of discrimination which is why trade improves women's economic outcomes by increasing employment, wages, and lowering costs.

In developing countries women make up 37% of the workforce of firms that participate in global value chains which is 12% more than firms that do not access international markets.

At Finkargo we are proud of enabling inclusion for women led companies thanks to our business model. **We are confident that by enhancing technology, using an alternative risk assessment, and offering a complimentary suite of risk mitigation and market intelligence services, we are contributing to closing the female trade finance gap.** This work is also bringing us closer to other allies that promote women in trade such as She trades, a platform of the International Trade Center that provides resources, training and networking.

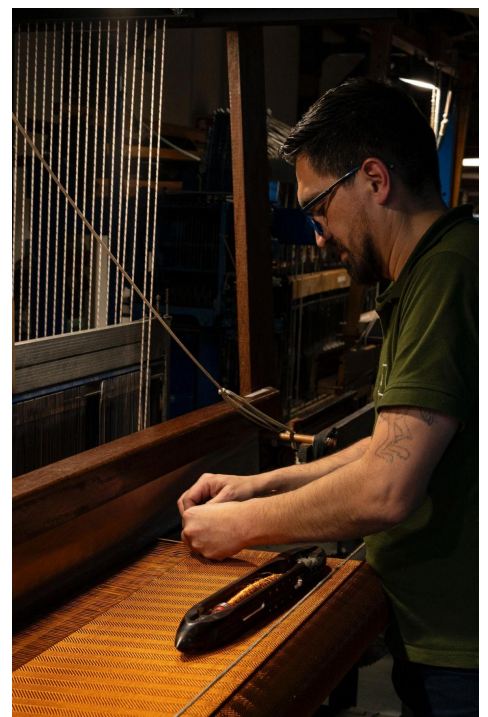
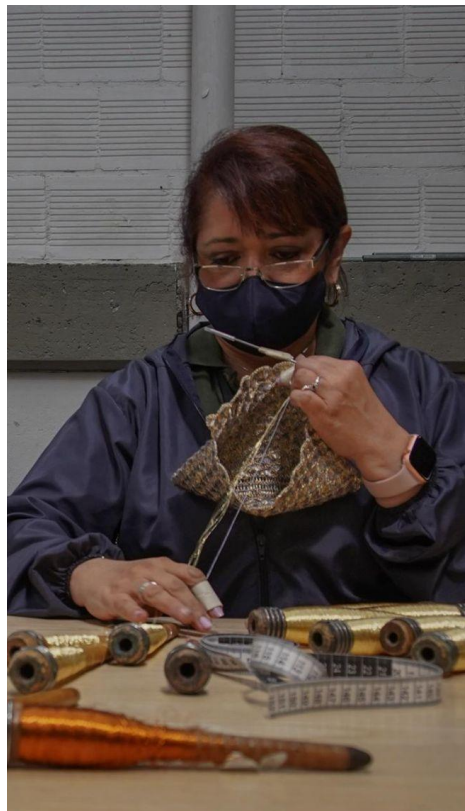
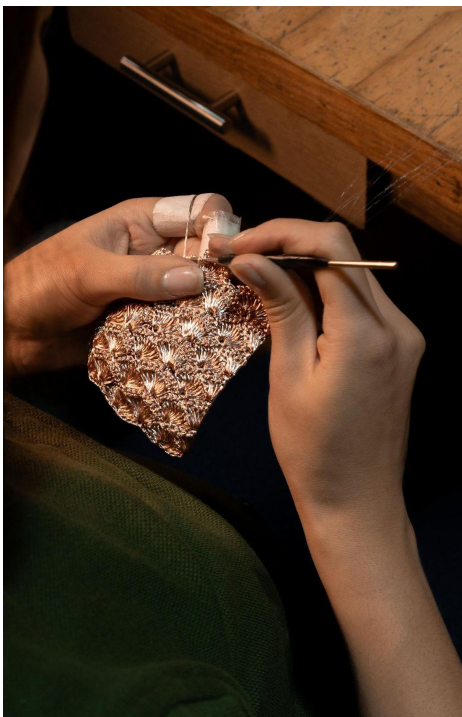
In the near future we want to expand our support to this underserved segment, as we are convinced of the potential of gender inclusivity, and the positive business impact of serving women.

RESILIENCE

The world has become increasingly distant, expensive and unpredictable. **Building resilience in global trade is more important than ever**, as firms must be prepared to adapt to everyday shocks, disruptions and changes in this ecosystem.

Today companies must assess their sourcing strategies to extend, diversify and strengthen their supplier bases. Firms should also invest in supply chain control towers that provide transparency and real time monitoring.

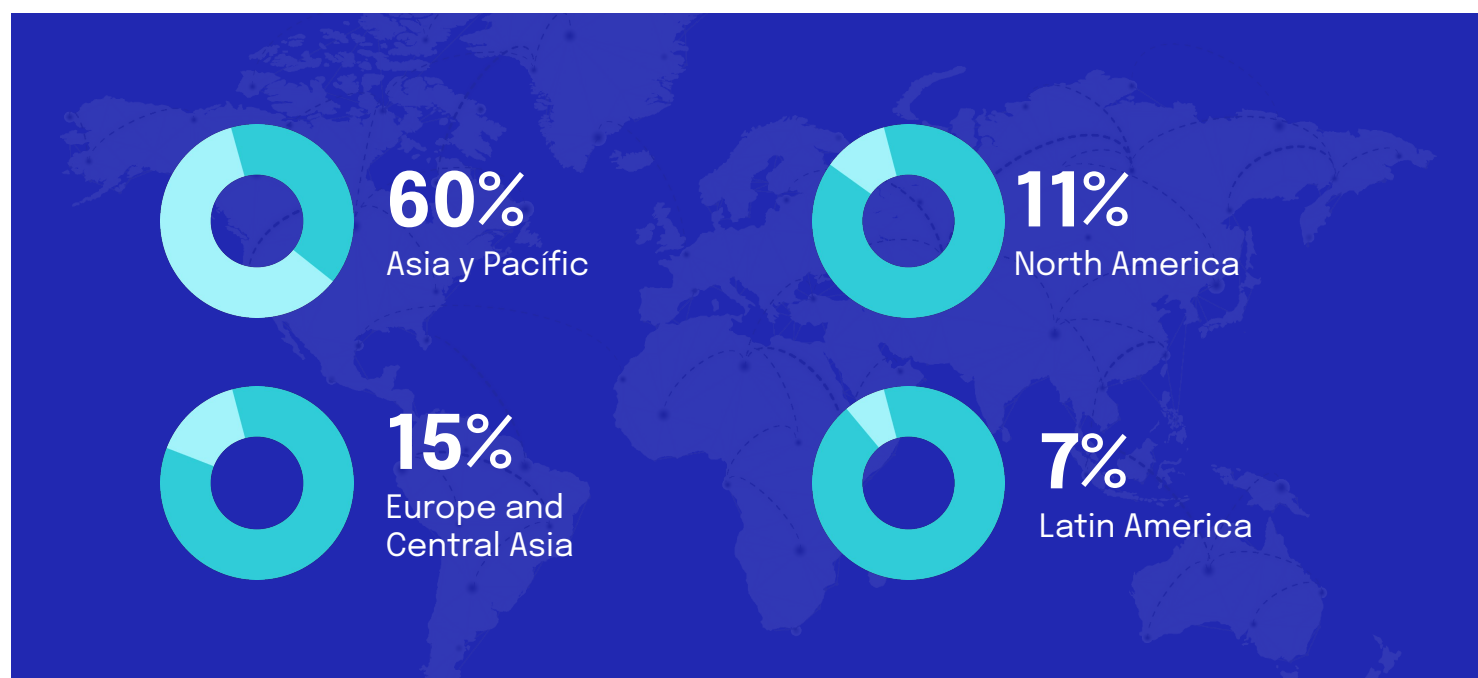
No matter the size or geographic location, companies must build capacity and knowledge to sense and react to changing geopolitical scenarios. This includes considering nearshoring and intra-regional trade strategies that allow companies to reduce costs, bring production closer to home markets and mitigate risks.



With Finkargo's support Verdi connects with global value chains by importing copper from Asia and transforming it into Colombian handicrafts that are sold in 22 countries, collaborating with global luxury brands such as Cartier.

Access to trade finance is key in building supply chain resilience. Our clients' supply chains are diversifying as we expand our client base. **The origin of their supply chains is 60% Asia, 15% Europe and Central Asia, 11% North America and 7% Latin America. In addition, another important feature is that 29% of our active clients are not only importers but also exporters.** This is a key finding because in order to build export capacity companies must have access to quality inputs allowing them to compete in international markets.

Finally, in the process of supporting our **client's connection with more than 1,560 suppliers in 51 countries as of 2024**, their supply chains have strengthened and diversified. **On average, after 1 year of working with Finkargo, in 2024 our clients grew their supplier base by 30%.**



On average, our clients grew their supplier base by 30%.

PRODUCTIVIT



From a productivity perspective, we measure how access to specialized capital to trade globally impacts our clients' businesses.

In 2024, **after working for 1 year with Finkargo, on average our clients increased their trade operations by 55%**, and clients that import to export increased their exports by 10%. In terms of revenue, clients that worked with Finkargo in 2023 **on average, increased their earnings by 34% compared to the previous period.**¹



After working 1 year with Finkargo, on average our clients:



Increased their trade operations by

55%



Increased their earnings compared to the previous period

34%



¹ This indicator is measured with a 1 year lag because we have access to our clients audited yearly financial statements during the next fiscal year.

Client Perception

Recording and understanding how our clients see us is essential within our impact framework. We want to have an in depth understanding of our client's reality and how we can improve it.

To accomplish this endeavor, **in 2024 we partnered with 60 Decibels, an end-to-end global impact measurement company that provides actionable and benchmarked social performance data.**

60 Decibels helped us structure and roll out interviews with a robust client base, and analyze findings that gave us key insights on how our clients are experiencing our services.

INCLUSION

In terms of inclusion the results of the analysis reflected an important milestone and evidence: **Finkargo is offering first time access to trade finance solutions**, filling an important gap in Colombia and Mexico.

The study found

77%

of clients report not having access to services like the ones Finkargo provides, and first time access is above 80% among micro-sized businesses.

In addition,

56%

report difficulties in finding a good alternative to Finkargo.

RESILIENCE

Clients reported interesting **findings regarding their business outlook and financial stress after their engagement with Finkargo.**

Nearly
70% of clients report their business outlook improved thanks to engagement with Finkargo.

The primary reasons cited are financial liquidity, business growth and financial flexibility. This evidence reaffirms access to trade finance is an essential tool to survive in international markets and as a means to grow their businesses.

An additional indicator that reflects our customers are building resilience

45% of clients reported spending less time worrying about their finances because of Finkargo.



PRODUCTIVITY

41%

of clients report an increase in their business earnings in the last 6 months.

Considering international operations can take from 3 to 4 months, a 6-month impact is a positive sign that indicates trade finance and the correct tools to navigate international markets can effectively generate a positive spillovers in business performance.

In 2024 we doubled down on our efforts to improve our impact management. As described, **we designed a framework that not only tracks our customer profile and outcome indicators**. We managed to upgrade our model and measurements with client perception along 60 decibels, a renowned global impact management expert.

This work would not have been possible without the support of **Quona and Community Investment Management**, two partners and investors that since day one have believed in our thesis of bringing financial inclusion to the global trade sector as a catalyst to promote economic growth and prosperity in our region.

Client and Investor Insights

Our support has translated into new possibilities for our users, as we've been able to track their impact along their business results and global supply chains.

Clients have found in Finkargo immediate cash flow enhancement, business growth enablement and superior customer experience. Depending on the clients' needs, industry, size, and global market exposure, we have also seen how our clients use the capital provided by Finkargo for multiple purposes.



Inventory Optimization

Increase stock levels
to meet growing demand

Supports launch
of new product lines

Maintain optimal inventory
for e-commerce operations

React against
supply chain disruptions

Secure better prices
through bulk purchases



Purchase Optimization

Capture advance payment
discounts (3-10% savings)

Access volume
based discounts

Respond to time
sensitive opportunities

Lock in favorable prices
through advance purchases



Supplier Relationship Enhancement

Meet minimum order quantities (MOQs)
without straining cash flow

Test new suppliers
with confidence

Diversify supply chain
to reduce risks

The voice of our clients



“

Finkargo allowed us to achieve things that we could not unlock without financing. A revolving door that enabled us to increase our purchasing orders and improve our logistics and nationalization process. In the first year working with Finkargo our sales exhibited an accelerated growth of +3x, thanks to a financial alternative that was distinct, accessible and functional. Finkargo's solution is different because it is tied to the product or merchandise which secures your supply chain and distribution.

Martín Ramírez
Chief Product Officer at Cáscara Tech

”



“

Before Finkargo we struggled with capital constraints that limited our growth. Now, their revolving credit solution transforms how we operate - we pay just 30% upfront and release inventory as we sell. This game-changing approach has not only improved our cash flow but empowered us to make smarter decisions and consistently meet delivery promises to our customers. In Finkargo, we've found more than a financial service; we've discovered a strategic partner that truly understands the challenges of importers.

Daniela Zuluaga
Commercial Manager at Homeway

”



“

With Finkargo, we've transformed our entire business approach, not just our finances. Their fresh, fast, and agile capital solution has revolutionized how we manage inventory for our high turnover products, eliminating the cash flow constraints that once limited our growth. What truly sets Finkargo apart is their team's commitment to understanding our unique challenges—they've become strategic advisors who equip us with tools beyond capital.

Felipe Cano
CEO at ATW

”

What our investors say

“

At Community Investment Management (CIM), we are proud to support Finkargo's impressive growth. The team's strong impact orientation has been a clear source of strength as they have expanded to new countries, developed valuable new products, and engaged ambitious small businesses. Finkargo's growth is a testament to their careful attention to users' needs and voices, their commitment to responsible lending, and their ability to bridge the financing gap in global trade. By leveraging deep expertise in trade and logistics, coupled with advanced technology, they provide crucial financial solutions where traditional lenders fall short, empowering SMBs to participate effectively in international commerce."

Alejandro Arenas

Investment Principal at Community Investment Management



At Quona, we invest in companies that drive financial inclusion and economic growth, and Finkargo exemplifies this mission. Our decision to back Finkargo was rooted in its ability to unlock first-time access to trade financing for small and medium-sized enterprises (SMEs) across Latin America. The data speaks for itself—77% of Finkargo's clients had no prior access to similar services, and 69% have reported an improved business outlook due to Finkargo's financing solutions. By easing liquidity constraints, enhancing financial flexibility, and driving business expansion, Finkargo is not only enabling trade but also fueling economic resilience in underserved markets. We are proud to support Finkargo in its mission and excited to see its continued impact in the region.

Kristin Sadler

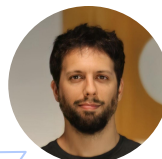
Head of Impact at Quona



At 60dB, we are proud to support Finkargo in measuring the impact of their work. Through our collaboration, we've tracked key metrics that highlight Finkargo's role in improving financial access and empowering underserved businesses within the international trade sector in Colombia and Mexico. This partnership has been instrumental in demonstrating the value of client-based impact metrics, particularly as Finkargo continues to grow and expand its vision in the region. We are excited to contribute to their meaningful work.

Daniel Field

Senior Associate at 60 Decibels



”

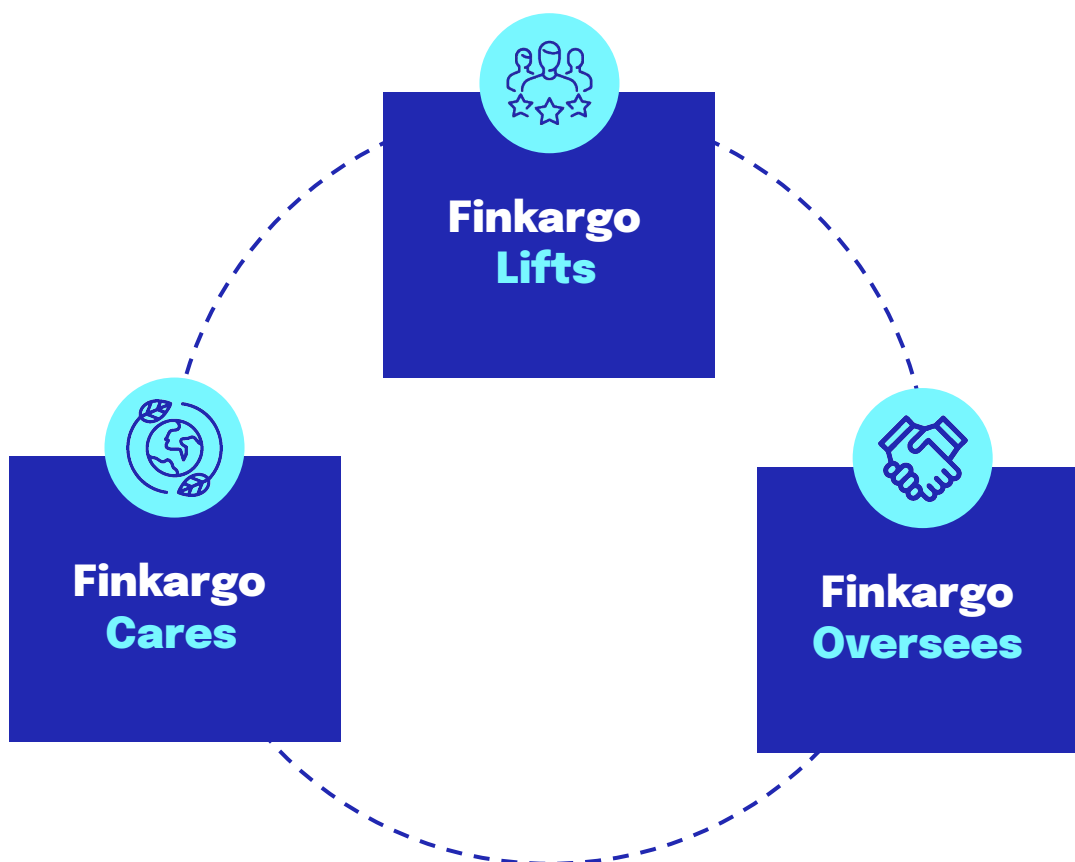


ESG initiatives

Reflect the implementation of efforts and projects that guarantee the development of a safe, ethical, and sustainable business over time.

In Finkargo we see ESG initiatives as a key complement to impact management. They are interconnected elements that allow us to continue growing and positively impacting our stakeholders and ecosystem.

We have divided Environmental, Social and Governance efforts into 3 components: **Finkargo Cares, Finkargo Lifts and Finkargo Oversees. We are convinced that if we want to create a positive change for our stakeholders** we have to continue prioritizing actions and best practices allowing our business to prosper and innovate under an approach of inclusiveness and responsibility.





Finkargo Cares

We are focused on aligning our business with the sectors and industries we want to promote. Finkargo adheres to the International Finance Corporation IFC Exclusion List. We do not fund companies or industries that belong to this list, such as trade of any illegal activity, production or trade of weapons and munitions, radioactive material or unbonded asbestos fibers, among others.

In addition, we are working towards promoting and supporting **more clients in high impact sectors such as agriculture and renewables.**



Affordable and clean energy: This SDG seeks to increase the proportion of **renewable energy, and widen the infrastructure and technology for modern and sustainable energy services.** Finkargo supports this sector by working with importers of products such as electric vehicles and auto parts, solar energy components, and solar panels. As of 2024 in this sector **Finkargo disbursed 332 operations to source merchandise worth over USD\$96 million.**



Zero Hunger: This SDG supports increasing agricultural productivity through access to key productive resources and inputs. Finkargo supports this sector by helping importers source inputs and capital goods such as **fertilizers, forestry and horticultural machinery, dairy and food industry machinery, among others.** As of 2024 **Finkargo disbursed 678 operations to source merchandise worth over USD\$90 million in this sector.**



Finkargo Lifts

To accomplish our vision, **we focus on initiatives that develop our main stakeholders: our employees or as we call them crewmembers, and our clients.** These initiatives promote the talent, development and retention of our workforce, and also the protection, well being and capabilities of our customers.

Empowering Global Dreams Through People and Innovation

At Finkargo we are defined by our bias for action, transforming ambitious ideas into tangible results. **We embrace ownership at every level, fostering a culture where each team member takes responsibility,** learns from every experience, and leads with purpose.

We're relentless in **our pursuit of knowledge, always seeking innovative approaches and viewing challenges** as opportunities for growth. Collaboration is at our core; we believe that by leveraging the diverse talents within our team and holding each other to the highest standards, we achieve greater success together.

Our commitment to our crew is reflected in our growth to **148 members in 2024, a 30% increase year-over-year.** This growth is matched by our team's satisfaction, demonstrated by an **outstanding 9.1/10 satisfaction score, and an increase in client eNPS from 74 to 82 in the last year.** Our people are the driving force behind Finkargo, and their growth is essential to our shared success. Together, we're not just empowering businesses—we're building a brighter, more connected future for all.

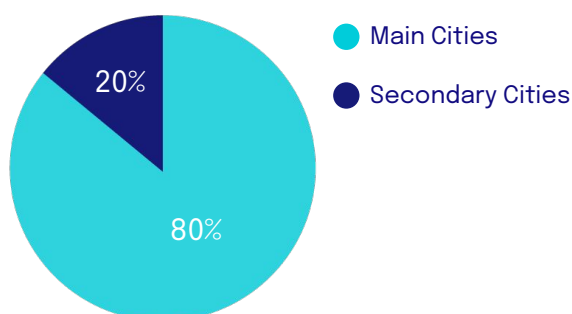


Powering Progress Through Inclusive Teams

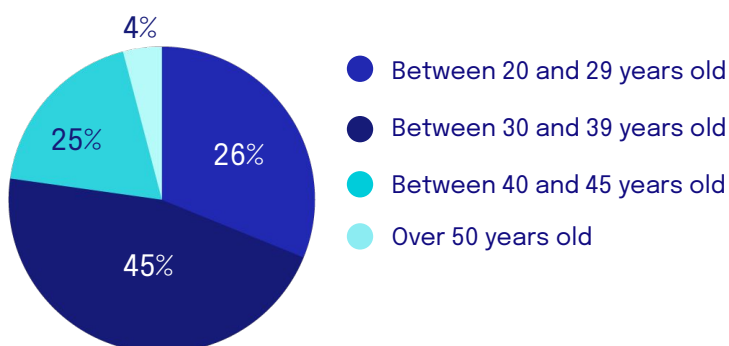
We believe our strength lies in our diversity, and our commitment to equity and inclusion is woven into the very fabric of our company culture. **Our virtues guide us in creating an environment where every crew member feels valued, respected, and empowered to contribute their unique** talents to empower MSMEs in emerging markets to dream globally.

Our remote work model allows us to tap into talent pools across 44 cities and municipalities in Colombia and Mexico, bringing diverse perspectives to our team.

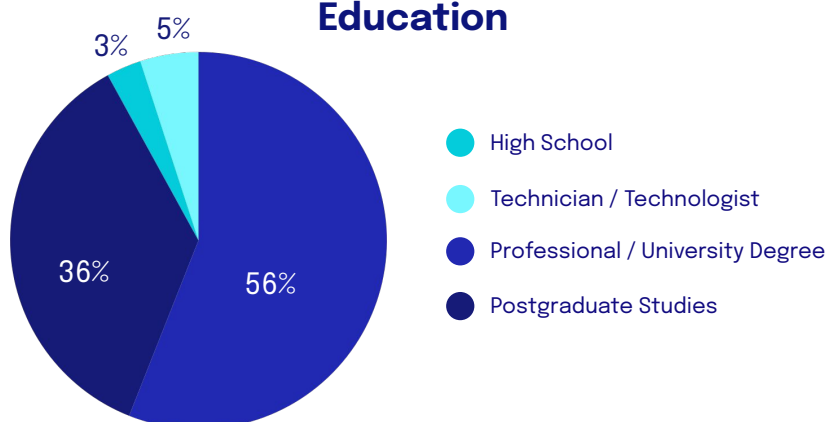
Geographic Distribution



Age



Education



By leveraging our diverse talents, we achieve greater success together.

We recognize that our organizational culture is enriched by the intersection of different generations in the workplace, which is a **valuable asset that drives innovation, learning, adaptability, and long-term success**

Gender Equality

Our commitment to DEI extends to all aspects of our organization, from hiring and promotion to training and development. By living our virtues and embracing diversity, we are building a stronger, more innovative, and more successful company.



In 2024, women's overall participation in the company remained at **40%**, **with 31% in leadership positions—figures aligned with the 2X Challenge indicators**, an initiative driving the private sector to close the gender gap.

In addition, throughout 2024, we remained committed to setting compensation, salaries, and benefits according to market standards, ensuring fairness and equitable pay both internally and externally.

	2024		2023		Compensation
	Women	Men	Women	Men	
BOD	0%	100%	0%	100%	Women : Men
VPs	34%	66%	34%	66%	VPs1:1,09
Heads	33%	67%	25%	75%	Heads1:1,16
Leads	30%	70%	38%	62%	Leads1:1,2

Building a Workplace of Belonging and Opportunity

In 2024, we continued implementing and enhancing many of the programs we had been developing since 2023 to empower and support our crew members.



Promotions: 23



Recognitions: 1,250



Learning & Development

- 17 training sessions with 60 average participants
- Platzi education scholarships: 40
- English language trainings: 32



Benefits & Well-being

- 100% of employees benefited from additional leave days
- 100% of employees with health insurance coverage

Our focus remains on providing equitable development opportunities that consider each individual's unique background and skill set.

We are committed to building a workplace where everyone feels a sense of belonging and can thrive. We know that a more diverse and inclusive workforce leads to better outcomes for our employees, customers, and ecosystem.

Looking into 2025

We are thrilled to announce a 155% increase in our development and well-being budget this year. This investment will focus on:

- **Empowering Technical and Commercial Teams:** Equipping our technical and commercial teams with the cutting-edge skills they need to excel, innovate, and deliver exceptional value to our clients, embodying our *Tech is the Way* and *Long Live the Customer* virtues. We will expand the team to support our client's digital transformation.
- **Developing Future Leaders:** Ensuring we have the leaders in place to guide our organization forward, aligned with our *Team First* and *Extreme Ownership* virtues.
- **Culture:** Promoting a strong cultural foundation to ensure we think big, foster continuous learning, and take action. After all, we are *Infinite Learners*, and *we Get Shit Done*.

This investment in our people reflects our deep commitment to their growth, well-being, and success. **We believe that empowering our crew members fuels Finkargo's continued growth and impact.**



Client Protection: Key practices to avoid harm and promote responsible growth

At Finkargo we consider ourselves an inclusive financial service provider. **We want clients to thrive and grow their businesses while managing risks.**

We want to ensure our services and products are safe, fair, and promote responsible growth and welfare for our clients.

Within the scope of client protection we work on different initiatives to deliver the following pillars: **Responsible Pricing, Prevention of Over indebtedness, Fair and Respectful Treatment, Mechanisms for Complaints Resolution, Privacy of Client Data, and Appropriate Product Design and Delivery.**

The main objectives of these pillars are:



- **Define clear processes** and responsibilities for credit underwriting and portfolio recovery activities.
- **Protect the customer** through mechanisms that seek a balance between growth, sustainability, and financial health.
- **Build trust with the customer** through transparent communication mechanisms and preventive measures.
- **Empower and guide the different areas of the company** that interact with clients to maintain a healthy portfolio and ensure proactive and respectful communication.



Most processes and initiatives that support client protection are outlined in our **Credit and Collections Manual**. In terms of client protection, the design and implementation of an updated **Collections Manual constituted our most important achievement in 2024**. This Manual highlights the principles and prohibited practices of debt collections, sets the policies and procedures for collections recovery, and defines negotiation guidelines for the different recovery stages.

In addition to the manual, in 2024 we designed a **Collections Communication Pathway**, currently under implementation. This pathway was designed to organize the debt recovery processes with the different areas and stakeholders. These guidelines define a new communication model to interact with our customers in a structured manner, providing a fair and respectful treatment, and maintaining a transparent and clear communication at the different stages of the collection process.

Other advances and accomplishments that contribute to the pillars of Client Protection include:

1. Over-indebtedness Prevention:

This initiative is centered on creating and implementing the correct tools to make loan decisions based on our clients payment capacity, promoting the sustainability and growth of their businesses. In addition to the Credit and Collections Manual, in 2024 we strengthened several committees, such as the Credit and Default committees, and we launched a new committee of Prevention and Early Warnings.

The Credit Committee

► **Establishes strategies and guidelines** to ensure a proper origination process and regulatory compliance.

The Default Committee

► **Tracks portfolio evolution** from a client and sectoral perspective.

Prevention and Early Warnings Committee

► **Identifies risks and analyzes early alerts** related to the management of collaterals and guarantees..

2. Fair and Respectful Treatment

Our culture stands out for putting our customer first, upholding the following principles:

Empathetic and clear communication

Negotiation over confrontation

Positive attitude

Respect to customer privacy

Active listening

As mentioned, in 2024 we launched the **Collections Manual and designed the Collections Communications Pathway** to reinforce this pillar of fair and respectful treatment. We are already achieving positive results in this matter. The client perception study performed with 60 decibels in 2024 **reported 94% of clients strongly agree Finkargo agents treat them fairly and respectfully.**

3. Responsible Pricing:

Within this pillar Finkargo designed a **proprietary pricing model that runs a robust financial and foreign trade analysis of each potential client**, providing a risk classification and competitive conditions aligned with the market and its regulations. As a tech-based company we work everyday to innovate and use technology in our favor, not only to get to know our potential clients and customers better, but also to promote transparency and clear communication.

Last year's client perception study also highlighted these efforts, as **more than 90% of clients agree Finkargo provides complete transparency about fees and charges.**

4. Mechanisms for Petitions, Complaints and Claims Resolution:

An important component of our client centricity is providing the correct **channels and tools to communicate and raise petitions, complaints and claims in an accessible and efficient way**. Finkargo has implemented a Privacy Policy and a specific procedure for handling petitions, claims and complaints to ensure timely responses and a traceable system.



In 2024 Finkargo responded to 2,996 cases



We reached nearly 100% resolution rate

Ensuring a high level of effectiveness of **3.9 hours** of average resolution time.

Reflecting a significant growth in demand and **usage of the platform while maintaining a high resolution rate and customer satisfaction.**

The team's expertise, particularly at Level 1 support, was bolstered through training programs and process documentation.

Automation improvements such as the subsequent distribution of cases among team members and initial testing of AI-driven responses for common queries, optimized support workflows.

The combination of process optimizations, improved inter-departmental collaboration, and direct access to support through Finkargo's app has resulted in a more efficient and consistent experience for users, with reduced wait times and faster complaint resolution.

**These achievements
were possible thanks to a:**



Redesign in the
support process



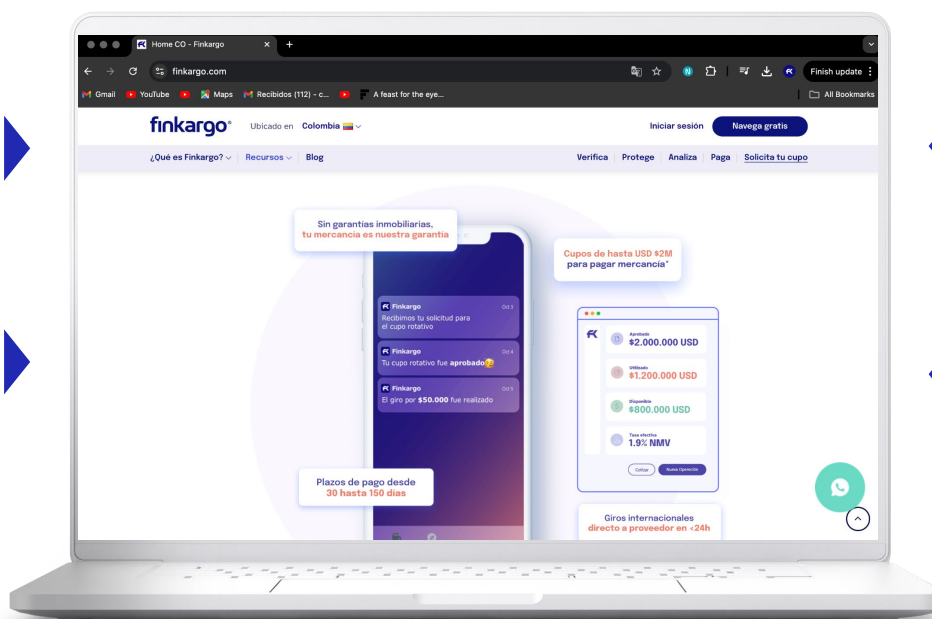
Team training



Enhanced user
experience



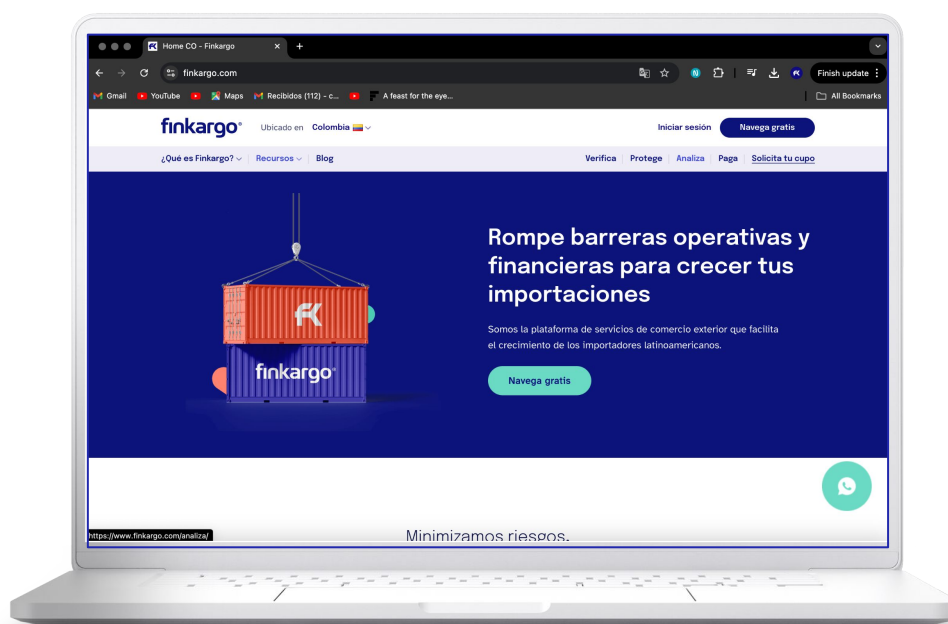
Automation and
AI integration



5. Appropriate Product Design and Delivery:

Building the best experience for our clients is our priority when developing our product. We work to ensure the design of our products, services and channels respond to our clients needs and feedback. In 2024 we executed an array of **developments and improvements within our digital platform aligned with our clients needs.**

Our CRM was integrated with our digital platform to improve internal visibility and traceability of each client. In addition, the account statement module and control panel were deployed, a quoting system for all services within the platform was launched, and a specialized module for our clients to trace the status of their guarantees is being delivered. These and additional milestones were key to improve the user experience and the value added we provide to our clients, not only by solving their access to capital, but also by becoming their trusted partner within their supply chain decision making.



In 2024 we boasted an NPS of 83 and 93 score in platform satisfaction, maintaining both measures while increasing transactionality in the platform by more than 60% year over year.

Empowering the Ecosystem

In Colombia and Mexico we work hand in hand with various members of the foreign trade ecosystem and representatives from the private and public sector: **trade promotion agencies, chambers of commerce, business and trade associations, among others**. With these stakeholders we hold a common objective of promoting trade as a means of economic and social development.

Working with these organizations has allowed us to meet a representative sample of **our client base as we organize, support and sponsor commercial and training activities with these actors**. These activities not only allow us to prospect potential clients, but also enable us to identify their needs and aspirations as they access international markets.



60__decibels



SheTrades



In terms of training, **the lack of information, connections, and knowledge is one of the main reasons why companies do not access international markets.** At Finkargo, we contribute to the ecosystem by sharing our knowledge and experience in training sessions with our customers, partners, and the ecosystem as a whole. In 2024, we organized and supported sessions on topics such as global trade and logistics trends and disruptions, the importance of trade financing and gaps when accessing the global market and risk mitigation mechanisms in global trade.

Overall, we participated in 17 activities or sessions in Colombia and Mexico reaching +1.000 trained individuals. In 2025 we want to continue promoting activities where we can join efforts with other **actors and stakeholders to support MSMEs and other underserved segments** in their journey to access global markets.



17



**Activities or sessions
in Colombia and
Mexico**



+1.000



Trained individuals

Highlighting a training session with She Trades in Mexico

She Trades is a global platform from the International Trade Center that connects female entrepreneurs and women-led companies with international markets.

The initiative works with a variety of public and private sector actors that share a common interest: addressing trade barriers and gaps affecting women.

In this session we shared our views on the **different barriers women face when accessing global markets, including financing, and how financial solutions and instruments**, can help them access information, capital, and mitigate risks when operating globally.

International Trade Center | SheTrades | UPS | women exporters

ITC SheTrades y UPS Programa de Mujeres Exportadoras

Finkargo: Financia el crecimiento de tu negocio con Finkargo

25 de septiembre de 2024

finkargo®

Círculo virtuoso entre el incremento del comercio y la igualdad de género.

Los países que están más expuestos a los mercados internacionales (medido como el coeficiente entre el comercio y el PIB) tienen mayores niveles de igualdad de género. El comercio crea incentivos para que los países mejoren los derechos y acceso a las mujeres a recursos esenciales como la tecnología, el financiamiento y la educación.

Fuente: Women and Trade Report, Banco Mundial.



Finkargo Oversees

Despite being a young company, in Finkargo we want to continue working to attain high standards of corporate governance. We believe this pillar is key to generate long term value to all our stakeholders. **The initiatives and areas we focus on are those that promote transparency, adherence to local laws and regulations, and risk management, to develop a safe and ethical business.**

Good governance: Board of Directors, Committees and Operational Excellence

Finkargo's board of directors is composed of the Finkargo founders and two investor representatives who oversee the organization's strategy and decisions, ensuring efficiency and alignment with strategic objectives.



Santiago Molina

CEO

15 years of experience in the financial sector



Andrés Ferrer

COO

25 years of experience in technology



Tomás Shuk

CRO

25 years of experience in international logistics



Jonathan Whittle

Managing Partner at Quona

25 years of regional experience. Leads investment strategy of the fund in Latam



Mike Packer

Partner at QED

Leads the portfolio and investment opportunities in Latam

Finkargo has established 6 committees that design and execute strategies and guidelines to ensure the development of a safe and sustainable business, focused on our clients and collaborators growth and well being.

Credit Committee

► **Establishes strategies, guidelines, and measures** to ensure a proper origination, management, and supervision of credit.

Financial Default Committee

► **Tracks the portfolio's evolution on a monthly** basis through customer and sector analyses, potential rollovers, and other indicators. The goal is to identify preventive alerts and cases that require escalation to an additional collection instance.

Recovery Committee

► **Reviews pre-litigation and litigation** recovery efforts.

Prevention and Early Warnings Committee

► **Operations, risk and collections areas work together** to mitigate risks and analyze early alerts related to the management of guarantees and collaterals.

Occupational Health and Safety Committee

► **Promotes and ensures compliance with occupational health and safety** regulations through awareness, information, and disclosure of risk prevention activities.

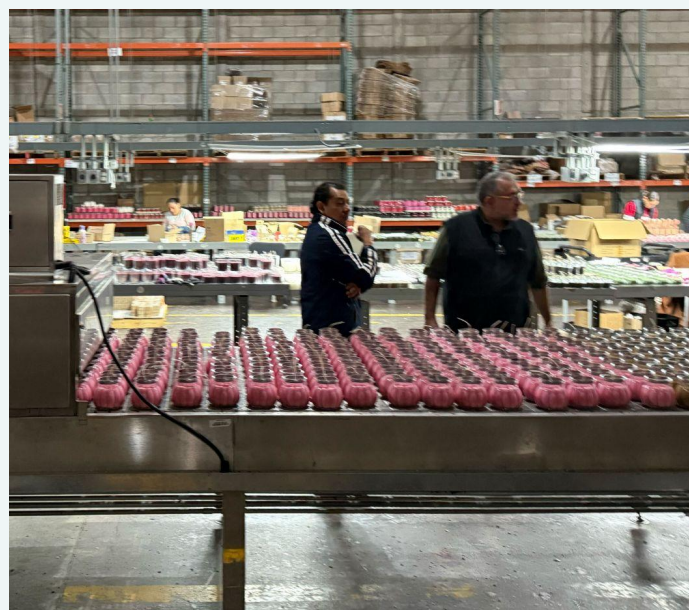
Workplace Committee

► **Prevents workplace harassment and handles cases** through alternative conflict resolution mechanisms.

In 2024, as mentioned in the section of Client Protection, the Prevention and Early Warnings Committee was created.

In addition, **last year the audit of the Occupational Health and Safety Management System was conducted to assess compliance and implementation beyond legal requirements.**

The results were favorable, demonstrating Finkargo's strong commitment to promoting and ensuring adherence to occupational health and safety regulations and standards.



Corporate Governance is paramount to our success and since 2023 Finkargo adopted the EOS methodology.

Since 2023

Finkargo adopted the EOS

(Entrepreneurial Operating System) methodology, a system that drives the organization's Vision and Traction in a clear, simple, and aligned manner.



In 2024

EOS proved to be a key enabler for Finkargo's growth and operational excellence.

EOS helped synchronize teams across Mexico and Colombia.



With regular and standardized meetings in each level of the organization and scorecard reviews in place, EOS facilitated faster and more effective decision-making. **This allowed leadership to promptly address operational challenges and capitalize on growth opportunities.**

Clear role definitions and responsibilities under the EOS framework enhanced accountability across the organization. **The implementation of robust KPIs and weekly scorecard reviews enabled the organization to monitor** performance closely, leading to timely interventions and continuous improvement in service delivery.



Risk Management and Compliance

As Finkargo grows, regulatory compliance and operational integrity are non-negotiable to ensure the continuity of the business and its competitiveness. Risk Management and compliance is a competitive advantage Finkargo is committed to harness.

Since 2023, Finkargo has strengthened its efforts by developing policies aimed at identifying and mitigating compliance risks, as well as identifying improvement opportunities in adherence to best practices and local regulations. In 2024 we began a consultancy project with Deloitte to assess Finkargo's compliance measures and documentation to identify, manage and mitigate risks related to: anti money laundering, combating the financing of terrorism, transparency and business ethics.

As a result, in 2024 there were key advances regarding:



AML/CFT systems and the design of the Transparency and Business Ethics Programme

In 2025 we will continue the implementation of Deloitte's recommendations to improve our Compliance Systems. This includes the **appointment of a Chief Compliance Officer for each Compliance System and the implementation of an internal reporting** format to identify possible ML/FT/AML/CFT risks.

This year we will also roll out training sessions with Finkargo's crewmembers to create awareness and ensure the adoption of all recommendations under the Compliance Systems.

Underwriting Risk Management

Finkargo is committed to **continuously improving its processes and tools** to prevent and manage risks within the underwriting process. In this regard, **as documented in the Credit Manual**, when analyzing a client's risk profile we are not only focused on an AML/CFT assessment, but we also consult credit bureaus to analyze credit history and payment behavior.

Moreover, we continuously perform **sectorial risk analysis to monitor economic and foreign trade performance** of the industries we work with generating early warnings in the credit management process.

It is important to highlight that **in 2024 we implemented additional monthly monitoring efforts with Experian in Colombia**. This allows us to track the debt levels and payment habits of our active customers across financial and commercial entities on a monthly basis, enabling us to take preventive actions one step further.



- > Credit Bureau
- > AML/CFT assessment
- > Payment behavior



- > Sectorial risk analysis
- > Monitor economic and foreign trade performance

Information Security Management System (ISMS)

Good governance policies must also provide full attention and priority to information security. Finkargo has designed and implemented policies with the **objective and commitment to preserve the confidentiality, integrity, and availability of its information assets and any information provided by clients and stakeholders**. This is achieved through the timely and effective management of risks, threats, and opportunities, adopting industry best practices, and using the ISO 27001 international standard as a reference framework.

The **ISMS** policy was implemented through the **design and execution of the following Information Security procedures, along with the development of an Information Security Manual**.



Risk management



Backup Management



Identity and Access Management



Detection and Protection Against Malicious Software



Information Asset Management



Vulnerability Management



Incident Management



Continuity Management



Personal Data Protection

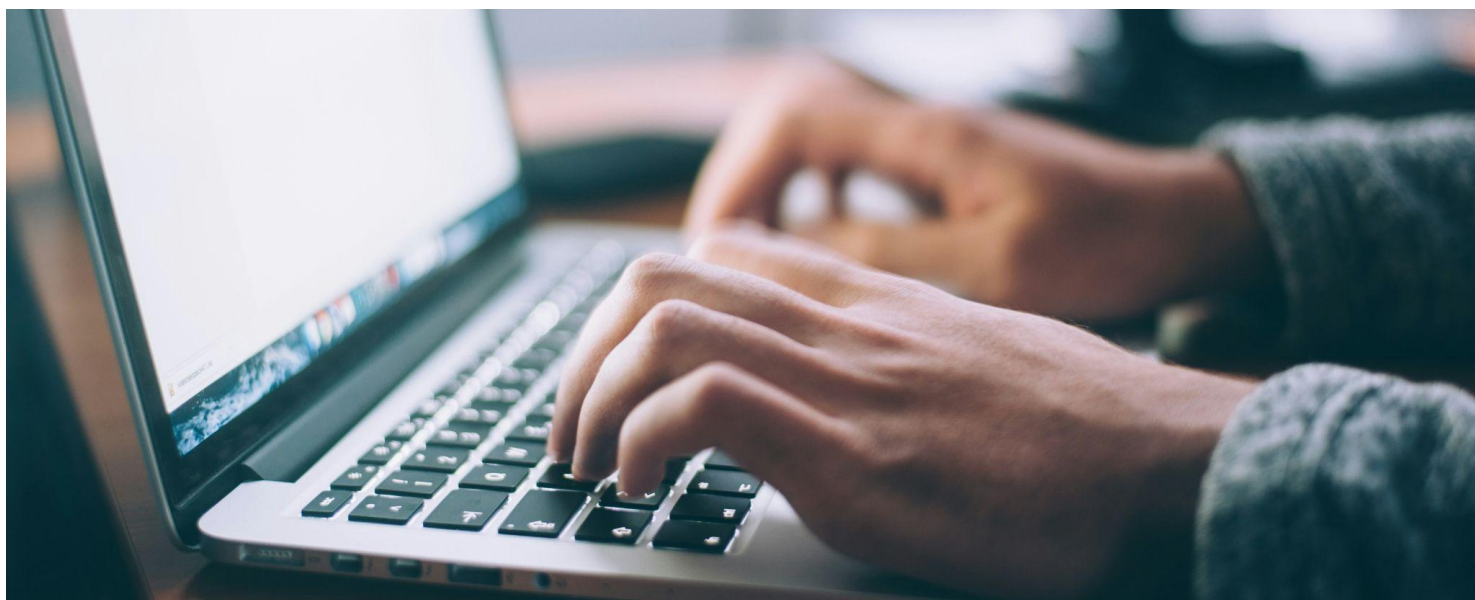
Looking forward to 2025 one of the main priorities regarding ISMS will be Penetration Testing and Disaster Recovery Plan Testing (DRP Testing).



Penetration testing consists of a proactive security assessment that simulates a cyberattack to identify vulnerabilities, ensure compliance with security standards, strengthen the organization's defenses and risk mitigation mechanisms, and improve awareness within the organization.



DRP Testing evaluates the organization's ability to recover IT Infrastructure and data after incidents such as cyberattacks or system failures. The latter identifies gaps in recovery processes, improves employee readiness and ensures business continuity.





IMPACT ROADMAP



Impact Roadmap

Our impact journey began very early in Finkargo as we are committed to promoting positive spillovers of trade. During the first two years of operations we began measuring and analyzing our impact. This meant understanding our client's profile and a theory of change of how our services improved the business dynamics of our customer base.



In 2024 we expanded our impact management efforts by incorporating client perception and integrating ESGs initiatives within our framework. To celebrate these achievements we are launching this report, to highlight and honor our impact journey.

We are excited about what lies ahead as we continue aligning our impact management efforts with our business strategy. **This year we launched an Impact Committee**, a high level governance authority that will analyze, prioritize and follow up on initiatives and projects that contribute to our impact management. In addition, we performed an **internal assessment of the Cerise + SPTF Universal Standards, based on their social performance indicators and their core dimensions**, that will guide our decision making process when prioritizing initiatives. **In 2025 we will also work with our investors and partners to continue giving our clients a voice.** As our client base, services and value proposition expand, we want to keep analyzing the experience and service our customers are receiving, how we are changing their business perspective and opportunities, and how we can better meet their needs.

We want to thank everyone that has made this journey possible



To our crew members for being the driving force behind Finkargo, building a brighter, more connected future. To our investors and partners for giving us the confidence and fuel to pursue a vision where MSMEs can thrive beyond their borders. And to our customers, our reason to exist, we feel extremely grateful for their trust, and for letting us walk hand in hand to unlock opportunities for them to connect and compete at a global scale.



finkargo

IMPACT REPORT 2024

finkargo.com